

T H E

FIFTH DISCIPLINE

THE ART AND
PRACTICE OF
THE LEARNING
ORGANIZATION

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THE LEADER'S NEW WORK

WHAT DOES IT TAKE TO LEAD A LEARNING ORGANIZATION?

"I talk with people all over the country about learning organizations and 'metanoia,' and the response is always very positive," says Hanover's Bill O'Brien. "If this type of organization is so widely preferred, why don't people create such organizations? I think the answer is leadership. People have no real comprehension of the type of commitment it requires to build such an organization."

Learning organizations demand a new view of leadership. My colleague, organizational consultant Charles Kiefer, tells a story of working with a product development team whose members became committed to a shared vision of a dramatic new product, which they eventually brought to market in one third the normal time required. "Once the vision of the product and how they would develop it began to crystallize," says Kiefer, "the team began to work in an extraordinary way. The energy and enthusiasm were palpable. Each individual felt a genuine sense of responsibility for how the team as a

whole functioned, not just for 'doing his part.' Openness to new ideas shifted dramatically and technical problems that had been blocking their progress began to get solved.

"But a new problem emerged. The prevailing leadership style in the organization was the traditional style—clear directions and well-intentioned manipulation to get people to work together toward common goals. The team leader recognized that the skills and behaviors that had made him an effective leader in the past would now be counterproductive. People *with* a sense of their own vision and commitment would naturally reject efforts of a leader to 'get them committed.' He literally did not know what to do, now that he had a self-directed team with a clear vision, that was learning how to learn together."

Our traditional views of leaders—as special people who set the direction, make the key decisions, and energize the troops—are deeply rooted in an individualistic and nonsystemic worldview. Especially in the West, leaders are *heroes*—great men (and occasionally women) who "rise to the fore" in times of crises. Our prevailing leadership myths are still captured by the image of the captain of the cavalry leading the charge to rescue the settlers from the attacking Indians. So long as such myths prevail, they reinforce a focus on short-term events and charismatic heroes rather than on systemic forces and collective learning. At its heart, the traditional view of leadership is based on assumptions of people's powerlessness, their lack of personal vision and inability to master the forces of change, deficits which can be remedied only by a few great leaders.

The new view of leadership in learning organizations centers on subtler and more important tasks. In a learning organization, leaders are designers, stewards, and teachers. They are responsible for *building organizations* where people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models—that is, they are responsible for learning.

This new view is vital. When all is said and done, learning organizations will remain a "good idea," an intriguing but distant vision until people take a stand for building such organizations. Taking this stand is the first leadership act, the start of *inspiring* (literally "to breathe life into") the vision of learning organizations. In the absence of this stand, the learning disciplines remain mere collections of tools and technique—means of solving problems rather than creating something genuinely new.

LEADER AS DESIGNER

Imagine that your organization is an ocean liner, and that you are "the leader." What is your role?

I have asked this question of groups of managers many times. The most common answer, not surprisingly, is "the captain." Others say, "The navigator, setting the direction." Still others say, "The helmsman, actually controlling the direction," or "the engineer down there stoking the fire, providing energy," or, "the social director, making sure everybody's enrolled, involved, and communicating." While these are legitimate leadership roles, there is another which, in many ways, eclipses them all in importance. Yet, rarely does anyone think of it.

The neglected leadership role is the *designer* of the ship. No one has a more sweeping influence than the designer. What good does it do for the captain to say, "Turn starboard thirty degrees," when the designer has built a rudder that will turn only to port, or which takes six hours to turn to starboard? It's fruitless to be the leader in an organization that is poorly designed. Isn't it interesting that so few managers think of the ship's designer when they think of the leader's role?

Although "*leader as designer*" is neglected today, it touches a chord that goes back thousands of years. To paraphrase Lao-tzu, the bad leader is he who the people despise. The good leader is he who the people praise. The great leader is he who the people say, "We did it ourselves."

Lao-tzu also illuminates part of the reason why design is a neglected dimension of leadership: little credit goes to the designer. The functions of design are rarely visible; they take place behind the scenes. The consequences that appear today are the result of work done long in the past, and work today will show its benefits far in the future. Those who aspire to lead out of a desire to control, or gain fame, or simply to be "at the center of the action" will find little to attract them to the quiet design work of leadership. Not that this type of leadership is without its rewards. Those who practice it find deep satisfaction in empowering others and being part of an organization capable of producing results that people truly care about. In fact, they find these rewards more enduring than the power and praise granted to traditional leaders.

For example, consider the role of systems thinking in a leader's

work. Joanne, the president of a new division that is growing rapidly, recognizes a limits to growth structure that could undermine continuing growth: as the number of managers in the new division grows, the diversity of management styles will increase, undermining the coherence of vision and operating values that has made the division a success to date. The "limiting factor" will be the division's capacity to assimilate new managers. Rather than waiting for the problem to arise and then dealing with it, Joanne develops a selection and self-assessment process that helps new managers understand the current vision and values and see if their own style is compatible; and she allocates a significant portion of her own time to working with new managers. The result is continuing growth of the division. Given our normal "leader as hero" viewpoint, this is not leadership. There is no crisis—in fact, there isn't even a problem that gets solved. The "problem" of inconsistency in values and vision simply never develops; it wasn't "solved," it was "dissolved." This is the hallmark of effective design.

As this story illustrates, the design work of leaders includes designing an organization's policies, strategies, and "systems." But it goes beyond that. Designing policies and strategies that no one can implement because they don't understand or agree with the thinking behind them has little effect. To appreciate the new view of "leader as designer," let's return to the DC-3.

The critical design function, without which the DC-3 would never have succeeded, involved *integrating the five component technologies*. For example, designing the engine specifications required understanding the effects of the variable pitch propellers, the wing flaps, the retractable landing gear, as well as the stress characteristics of the new monocoque body. So, too, did the wing and body design depend on the engine's thrust. The task of integrating the component technologies was more critical to the success of the DC-3 than the task of designing any single component.

Design is, by its nature, an integrative science because *design requires making something work in practice*. "We would not consider a car well designed," says Herman Miller's Ed Simon, "if it had the best transmission, the best seats, and the best engine, but was terrible to ride in and impossible to control on wet roads. The essence of design is seeing how the parts fit together to perform as a whole."

So too does the crucial design work for leaders of learning organizations concern integration. As background for this chapter I inter-

viewed three leaders who have been part of our MIT research program for several years, Simon, Bill O'Brien of Hanover Insurance, and Ray Stata of Analog Devices. Each pointed to design as a critical function of leadership and each saw design as an integrative task. "The new job description of leaders," according to Stata, "will involve design of the organization and its policies. This will require seeing the company as a system in which the parts are not only internally connected, but also connected to the external environment, and clarifying how the whole system can work better." Or as Simon put it, "We need a new generation of organizational architects. But to get there we must first correct basic misunderstandings about the nature of business design. It's not just rearranging the organization structure. We have to get away from the P&L statement and design for the long term—based on understanding interdependencies. Most changes in organization structure are piecemeal reactions to problems. Real designers are continually trying to understand wholes."

Just as the DC-3 designers had to integrate the five component technologies, crucial design work for leaders of learning organization concerns integrating vision, values, and purpose, systems thinking, and mental models—or more broadly, integrating all the learning disciplines. It is the synergy of the disciplines that can propel an organization to major breakthroughs in learning. As best we can tell so far, *all* the disciplines are critical and must be developed. Leaders must guard against slipping into a comfortable "groove" of relying on particular disciplines, each of which, in isolation, will prove self-limiting. This is why organizations that get fired up by vision can become "vision junkies," just as organizations that come to "believe in" systems thinking as the answer to life's problems will reach diminishing returns in their ongoing systems analyses.

This does not mean that all the disciplines must be developed simultaneously. Though all are important, there are crucial questions concerning sequencing and interactions among the disciplines. What disciplines should be developed first? How can understanding in one area lead to mastery in another? How do we sustain movement along all critical dimensions and not become self-satisfied with our accomplishments in one area? These are the types of design questions that leaders must ponder.

Most of the leaders with whom I have worked agree that the first leadership design task concerns developing vision, values, and purpose or mission. "Organization design is widely misconstrued as

moving around boxes and lines,” says Bill O’Brien. “The first task of organizational design concerns designing the governing ideas—the purpose, vision, and core values by which people will live.” “Designing the organization as a whole,” says Stata, “includes the intangibles of even the more subtle values that knit things together.”

Building shared vision is important early on because it fosters a longer-term orientation and an imperative for learning. Systems thinking is also important early on because managers are inherently pragmatic and need insights into “current reality” as well as a picture of the future toward which they are moving. Some understanding of mental models and the basics of bringing underlying assumptions to the surface is also important early on. Introducing conceptual tools such as systems thinking in isolation from learning how to work with mental models, both individually and in teams, often proves disappointing. Managers believe that the purpose is to figure out the “system out there,” not to discover inconsistencies in their own ways of thinking.

Personal mastery is often one of the later disciplines to emphasize because managers are often, justifiably, cautious in overemphasizing personal growth. Freedom of individual choice is critical in any organization effort to foster personal mastery. As already discussed, what matters most is the visible behavior of people in leadership positions in sharing their own personal visions and demonstrating their commitment to the truth.

These statements are broad guidelines at best. The art of leadership involves sizing up the players and needs in each situation and crafting strategies suitable to the time and setting. For example, some organizations have a high ethic of collaboration, which makes them especially receptive to team learning and shared vision. Yet, in the same organization, people might have difficulties with systems thinking, which they might see as confronting established mental models and operating policies. In a large organization, different combinations of learning disciplines will be developing in different operating units; and leadership is operating at many levels, from local leaders who are bringing the disciplines to bear on current problems, to central leaders who are addressing global issues and organization-wide learning processes.

Even the criteria that you’d bring to bear in making these choices are not yet certain. Do you start with the “easiest disciplines,” that is, the disciplines where there is the greatest readiness and least resistance? In general, I find people eager to master new learning

disciplines so long as they can connect those skills to important problems and personal learning needs. But if there is resistance to certain disciplines, do you push or do you hold off until you have built up momentum in another area?

Generally, I would counsel against pushing. Usually it is more effective to look for the source of the resistance, either in perceived lack of relevance, fear of failure (i.e., "I won't be competent in the new discipline"—remember we were all schoolchildren once), or perceived threat to the status quo. The leaders who fare best are those who continually see themselves as designers not crusaders. Many of the best intentioned efforts to foster new learning disciplines founder because those leading the charge forget the first rule of learning: people learn what they need to learn, not what someone else thinks they need to learn.

In essence, the *leaders' task is designing the learning processes* whereby people throughout the organization can deal productively with the critical issues they face, and develop their mastery in the learning disciplines. This is new work for most experienced managers, many of whom rose to the top because of their decision-making and problem-solving skills, not their skills in mentoring, coaching, and helping others learn. But, as Ed Simon says, this is no reason to turn back: "There is much that we do not know about what will be required to build learning organizations, but one thing is certain—there is *new work* here, and we must be willing to abandon our whole paradigm of who we are as managers to master this new work."

LEADER AS STEWARD

The interviews that I conducted as background for this chapter led to what was, for me, a surprising discovery. Although the three leaders with whom I talked operate in completely different industries—a traditional service business, a traditional manufacturing business, and a high-tech manufacturing business—and although the specifics of their views differed substantially, they each appeared to draw their own inspiration from the same source. Each perceived a deep story and sense of purpose that lay behind his vision, what we have come to call the *purpose story*—a larger "pattern of becoming" that gives unique meaning to his personal aspirations and his hopes for their organization. For O'Brien the story has to do with "the

ascent of man.” For Ed Simon, it has to do with “living in a more creative orientation.” For Ray Stata, it has to do “with integrating thinking and doing.”

This realization came late one evening, after a very long day with the tape and transcript of one of the interviews. I began to see that these leaders were doing something different from just “story telling,” in the sense of using stories to teach lessons or transmit bits of wisdom. They were relating *the* story—the overarching explanation of why they do what they do, how their organization needs to evolve, and how that evolution is part of something larger. As I reflected back on gifted leaders whom I have known, I realized that this “larger story” was common to them all, and conversely that many otherwise competent managers in leadership positions were not leaders of the same ilk precisely because they saw no larger story.

The leader’s purpose story is both personal and universal. It defines her or his life’s work. It enobles his efforts, yet leaves an abiding humility that keeps him from taking his own successes and failures too seriously. It brings a unique depth of meaning to his vision, a larger landscape upon which his personal dreams and goals stand out as landmarks on a longer journey. But what is most important, this story is central to his *ability to lead*. It places his organization’s purpose, its reason for being, within a context of “where we’ve come from and where we’re headed,” where the “we” goes beyond the organization itself to humankind more broadly. In this sense, they naturally see their organization as a vehicle for bringing learning and change into society. This is the power of the purpose story—it provides a single integrating set of ideas that gives meaning to all aspects of the leader’s work.

Out of this deeper story and sense of purpose or destiny, the leader develops a unique relationship to his or her own personal vision. He or she becomes a *steward* of the vision.

The best way to appreciate the “leader as steward” in the context of building learning organizations is to see the way individuals committed to such work describe their own sense of purpose. The following are excerpts from my interviews:

Bill O’Brien

President and CEO, Hanover Insurance

PMS: Bill, why are there such pressures for change in management today—is it primarily because of competitive pressures?

O'BRIEN: No. I think there is something beyond competitive pressures.

Our traditional organizations are designed to provide for the first three levels of Maslow's hierarchy of human needs: food, shelter, and belonging. Since these are now widely available to members of industrial society, our organizations do not provide significantly unique opportunities to command the loyalty and commitment of our people. The ferment in management will continue until organizations begin to address the higher order needs: self-respect and self-actualization.

This is the quest we at Hanover have been on for almost twenty years now—to discover the guiding principles, design, and tools needed to build organizations more consistent with human nature.

PMS: How did you get interested in "learning organizations?"

O'BRIEN: We weren't focused on organization learning initially. We set out to identify and eliminate the diseases that afflict hierarchical organizations and make them inconsistent with the higher aspects of human nature.

All of this was based on certain beliefs about people, as are all forms of organization. If you believe that people are most concerned with getting along and putting together coalitions to wield power, that's a political environment. If you believe that once you're on top the secret is staying on top, that's a bureaucratic environment. If you believe, as we did, that there's an enormous reservoir of untapped potential in people that can be channeled more productively than it is, you try to build a value-based, vision-driven environment.

Now, I think that the human being has a deep drive to learning. So, as you create organizations that are more in line with human nature, you are building learning organizations. So, although we started in a different place, we ended up in the same place.

PMS: Why do you think that organizations more consistent with human nature are timely?

O'BRIEN: My personal view is that this has to do with the evolution of consciousness. Mankind's nature is to ascend to greater awareness of our place in the natural order—yet, everywhere we look we see society in a terrible mess of self-centeredness, greed, and nearsightedness. In modern society, business has the greatest potential to offer a different way of operating. The po-

tential of business to contribute toward dealing with a broad range of society's problems is enormous. But we must show the way by example not by moralizing. We must learn how to harness the commitment of our people—then our commitment to building a better world will have some meaning.

Ed Simon

President and COO, Herman Miller

PMS: How does your interest in organizational learning relate to changes you see as important for Herman Miller?

SIMON: I believe that we must become a "vision-led" company. That means that our reference point, our anchor, is in the future. I see organizational learning as learning how to accept, embrace, and seek change.

Traditional organizations change by reacting to events. The reason for this, I think, is that the "reference points" for traditional organizations are external, outside ourselves. Usually these reference points are the way things were in the past. Sometimes, they include the way our competitors operate. Change means giving up these reference points. So, naturally, it is resisted.

To be vision-led means that our reference points are internal, the visions of the future we will create, not what we were in the past or what our competitors are doing. Only when it is vision-led, will an organization embrace change.

PMS: Why are more organizations not vision-led, oriented toward learning how to create what they want?

SIMON: I believe that human beings truly seek to live in a more creative orientation. But people don't realize the incredible extent to which traditional organizations are designed to keep people comfortable and to inhibit taking risks. The learning cycle is a continuous process of experimentation. You cannot experiment without taking risks. Despite rhetoric to the contrary, I believe most American businesses are engaged in building "no-risk" environments. Even when they break apart old functional bureaucracies, which clearly avoided risk taking, they create decentralized business units where managers stay in one position for two years. Clearly, their eye is on promotion and the only types of risks they will take are ones with a high probability of producing "success" during their tenure.

PMS: If we must give up some of the safety of a traditional organization, does that mean that a learning organization is in a constant state of turmoil?

SIMON: Our task is to find a new balance. Embracing change does not mean abandoning a core of values and precepts. We must balance our desire for continuity with our desire to be creative. We must learn how to not abandon that core, while simultaneously letting go of past ways of doing things. I think we have learned something about this at Herman Miller in our commitment to the creative process in research and design. Now that commitment to the creative process must be extended to the business as a whole. This requires a new paradigm, a new model of how organizations work—organizations that operate in a continual learning mode, creating change.

Ray Stata

President and CEO, Analog Devices, Inc.

PMS: How did you get interested in “organizational learning”?

STATA: Organizational learning as a concept is what emerged at the end of the process we've been going through. The starting point was back in the late '70s and early '80s, when it became increasingly clear that our company, as well as other companies in America, were coming under heavy pressure from Japan. I gradually became convinced that there was a crisis looming of enormous magnitude, a crisis that is still, in my estimation, looming, despite the progress we've made in recent years.

In response to this crisis, we began to get involved with the variety of improvement processes coming out of Japan. But, you quickly get lost with the “alphabet soup” of TQC, JIT, QFD, and all the consultants running around with today's newest acronym. Drawing on the thinking of Shell's Arie de Geus [another participant in the MIT research program], I began to see accelerating organizational learning as an integrating concept for a broad range of improvement tools and methods. Most importantly, as I tried to illustrate in an article for *Sloan Management Review*, I began to see that the rate at which organizations learn may become the only sustainable source of competitive advantage, especially in knowledge-intensive businesses.¹

PMS: What do you see as the central challenges in building learning organizations?

STATA: The “scientific management” revolution of Frederick Taylor took the traditional division of labor, between workers and managers, and gave us the “thinkers” and the “doers.” The doers were basically prohibited from thinking. I believe our fundamental challenge is tapping the intellectual capacity of people at all levels, both as individuals and as groups. To truly engage everyone—that’s the untapped potential in modern corporations. This leads me to the notion of an organization as a learning organism.

That is easy to say, but I believe there are significant insights that will be required to make it real. One of the questions that interests me deeply is, “What are the rules of the cognitive processes by which valid learning takes place?” I believe we can use the term organizational learning very loosely and it will end up having little meaning. It will become just another fad.

PMS: How do you distinguish between valid learning and specious learning?

STATA: One of the fundamentals is that valid learning does not occur unless you continuously go back to reality. All knowledge is objective in the sense that there must be some correspondence to reality. That seems fairly obvious, but, as Ayn Rand observed, mankind tends to drift toward the primacy of consciousness and to the supremacy of thought, and it’s only by discipline that you actually come to accept reality as a judge.

In response to this, the “pragmatists” of modern philosophy take the view that there is no point in worrying about general theory. You should do what works, and whatever works today may not work tomorrow. This view is strongly reinforced in contemporary management with its emphasis on solving problems. It’s so easy to just go from one problem to the next, “from pillar to post,” without ever seeing a larger pattern. Pragmatism denies any ability of the human mind to synthesize, to see a bigger picture.

Pragmatism has become dominant, in part, because of the previous dominance of elaborate theoretical systems that had no real correspondence to reality. The nineteenth century was a great time for this; and the obvious failure of these great systems of thought like Marx’s world system has been one of the justifications for pragmatism.

Interestingly, just as local workers have gotten stuck as the “doers” in traditional organizations, managers have gotten

stuck as “the thinkers.” There is a tremendous tendency of people high in the organization to become remote from reality and the facts, to begin to hypothesize and conjecture without any formal grounding of their theories. The greatest manifestation of the fallacy of this dichotomy between the “thinkers” and the “doers” was the fad in the 60’s to create strategic planning staffs separate from operational staffs. Once accepted, this further separated the world of thought from the world of reality.

I think, to some extent, we jump back and forth between these two extremes of over-conceptualization and pure pragmatism because we don’t have the tools to connect them. The core challenge faced by the aspiring learning organization is to develop tools and processes for conceptualizing the big picture and testing ideas in practice. All in the organization must master the cycle of thinking, doing, evaluating, and reflecting. Without, there is no valid learning.

Crafting a larger story is one of the oldest domains of leadership. There is indeed a mythic quality about this type of leadership: “The real task of the knights [of the Round Table] now lies before them, wrote Heinrich Zimmer in his book about myth, *The King and the Corpse*. To Zimmer, Merlin was a master in the domain of the “purpose story,” “first uniting the knights in the circle of the Round Table, and then scattering them forth again on the paths of their several transformations.” Though the knights travel their separate paths, they are “united in a common bond, and their paths, though predestined for each one of them alone, will meet, cross, and intertwine . . .”²

The purpose stories of the three leaders above each describes a context of deep issues that transcend the problems of any one organization, implies a sense of urgency that makes action imperative, and illuminates their own personal vision. For each, the story involves a new type of organization emerging that is “more consistent with human nature” (O’Brien), enables people to balance “the desire for continuity with the desire to be creative” (Simon), and integrates “conceptualizing the big picture and testing ideas in practice” (Stata).

But the stories are also incomplete. They are evolving as they are being told—in fact, they are *as a result of being told*. This is the reason that their visions have such special significance to such leaders; the vision is a vehicle for advancing the larger story.

In a learning organization, leaders may start by pursuing their own vision, but as they learn to listen carefully to others' visions they begin to see that their own personal vision is part of something larger. This does not diminish any leader's sense of responsibility for the vision—if anything it deepens it. “The willingness to abandon your paradigm,” says Simon, “comes from your stewardship for the vision.”

Being the steward of a vision shifts a leader's relationship toward her or his personal vision. It ceases to be a possession, as in “this is *my* vision,” and becomes a calling. You are “its” as much as it is yours. George Bernard Shaw expressed the relationship succinctly when he said:

This is the true joy in life, the being used for a purpose recognized by yourself as a mighty one . . . the being a force of nature instead of a feverish, selfish little clod of ailments and grievances complaining that the world will not devote itself to making you happy.³

Slightly different in tone and focus, but no less evocative, is the characterization of Lebanese poet Kahlil Gibran, who, in speaking of parents and children, captured the special sense of *responsibility without possessiveness* felt by leaders toward their vision:

*Your children are not your children.
They are the sons and daughters of life's longing for itself.
They come through you, not from you.
And though they are with you, they belong not to you.
You may give them your love but not your thoughts,
For they have their own thoughts.
You may house their bodies but not their souls,
For their souls dwell in the house of tomorrow, which you cannot
visit, not even in your dreams.
You may strive to be like them, but strive not to make them like
you.
For life goes not backward nor carries with yesterday.
You are the bows from which your children as living arrows are
sent forth.
The archer sees the mark upon the path of the infinite, and he
bends you with his might that the arrows may go swift and
far.
Let your bending in the archer's hand be for gladness;
For even as he loves the arrow that flies, so he loves the bow that
is stable.⁴*

LEADER AS TEACHER

The first responsibility of a leader," writes retired Herman Miller CEO Max de Pree, "is defining reality."⁵ While it is clear that leaders draw their inspiration and spiritual reserves from their sense of stewardship, much of the leverage leaders can actually exert lies in helping people achieve more accurate, more insightful, and more *empowering* views of reality.

"Reality" as perceived by most people in most organizations means pressures that must be born, crises that must be reacted to, and limitations that must be accepted. Given such ways of defining reality, vision is an idle dream at best and a cynical delusion at worst—but not an achievable end. By contrast, for painters, composers, or sculptors, creating involves working within constraints—for example, the constraints imposed by their media. If one had but to snap one's fingers and the vision became reality, there would be no creative process. How, then, do leaders help people achieve a view of reality, such as the artist's, as a medium for creating rather than as a source of limitation? This is the task of the "leader as teacher."

Building on the hierarchy of explanation first introduced in Chapter 3, leaders can influence people to view reality at four distinct levels: events, patterns of behavior, systemic structures, and a "purpose story." The key question becomes *where predominantly do they focus their and their organization's attention?*

By and large, leaders of our current institutions focus their attention on events and patterns of behavior—and, under their influence, their organizations do likewise. That is why contemporary organizations are predominantly reactive, or at best responsive—rarely generative.

On the other hand, leaders in learning organizations pay attention to all four levels, but focus predominantly on purpose and systemic structure. Moreover, they "teach" people throughout the organization to do likewise.

Systemic structure is the domain of systems thinking and mental models. At this level, leaders are continually helping people see the big picture: how different parts of the organization interact, how different situations parallel one another because of common underlying structures, how local actions have longer-term and broader impacts than local actors often realize, and why certain operating policies are needed for the system as a whole. But, despite its impor-

tance, the level of systemic structure is not enough. By itself, it lacks a sense of purpose. It deals with the *how*, not the *why*.

By focusing on the "purpose story"—the larger explanation of why the organization exists and where it is trying to head—leaders add an additional dimension of meaning. They provide what philosophy calls a "teleological explanation" (from the Greek *telos*, meaning "end" or "purpose")—an understanding of what we are trying to become. When people throughout an organization come to share in a larger sense of purpose, they are united in a common destiny. They have a sense of continuity and identity not achievable in any other way.

Leaders talented at integrating story and systemic structure are rare in my experience. Undoubtedly, this is one of the main reasons that learning organizations are still rare.

One person who had the gift was Bill Gore, the founder and long-time CEO of W. L. Gore and Associates (makers of Gore-tex and other synthetic fiber products). Bill Gore was not an especially charismatic speaker. But he was adept at a particular story-telling art: stories that integrated the organization's core values and purpose and its operating policies and structures. Bill was very proud of his highly egalitarian organization, in which there were (and are still) no "employees," only "associates," all of whom own shares in the company and participate in its management. At one talk, he explained the company's policy of controlled growth:

Our limitation is not financial resources. Our limitation is the rate at which we can bring in new associates. Our experience has been that if we try to bring in more than 25% per year increase, we begin to bog down. 25% per year growth is a real limitation; you can do much better than that with an authoritarian organization. However, one of the associates, Esther Baum, went home to her husband and reported the limitation to him. Well, Professor Baum was an astronomer and a mathematician; he worked at Lowell Observatory, and he said, "That is indeed a very interesting figure." He took out a pencil and paper and calculated and said, "Do you realize that in only 57½ years, everyone in the world will be working for Gore?"⁶

Through this simple story, Gore explains the rationale behind a key policy, limited growth rate, a policy that undoubtedly caused a lot of stress in the organization. He reaffirms the organization's commitment to creating a unique environment for its "associates" and

illustrates the types of sacrifices that the firm is prepared to make in order to remain true to its vision: "You can do much better [in growth rate] than that with an authoritarian organization." (Recall that one of the failings of People Express was the very absence of policies that controlled growth to a rate commensurate with assimilating new people into *its* innovative work system.) The last part of the story shows that, despite the self-imposed limit, the company is still very much a "growth company," another aspect of its vision.

Unfortunately, much more common are leaders who have a sense of purpose and genuine vision but little ability to foster systemic understanding. Many great "charismatic" leaders, despite having a deep sense of purpose and vision, manage almost exclusively at the level of events. Such leaders deal in visions and crises, and little in between. They foster a lofty sense of purpose and mission. They create tremendous energy and enthusiasm. But, under their leadership, an organization caroms from crisis to crisis. Eventually, the worldview of people in the organization becomes dominated by events and reactivity. People experience being jerked continually from one crisis to another; they have no control over their time, let alone their destiny. Eventually, this will breed deep cynicism about the vision, and about visions in general. The soil within which a vision must take root—the belief that we can influence our future—becomes poisoned.

Such "visionary crisis managers" often become tragic figures. Their tragedy stems from the depth and genuineness of their vision. They often are truly committed to noble aspirations. But noble aspirations are not enough to overcome systemic forces contrary to the vision. As the ecologists say, "Nature bats last." Systemic forces will win out over the most noble vision if we do not learn how to recognize, work with, and gently mold those forces.

Similar problems arise with the "visionary strategist," the leader with a sense of vision who operates at the levels of patterns of change as well as events. This leader is better prepared to manage change, but still teaches people only to see trends not underlying structures. He imparts a responsive orientation, not a generative orientation. Ironically, leaders with a sense of vision and an understanding of major business trends are often held out as models of effective leadership. This is because they are so much more effective than leaders with no vision whatsoever, or leaders who deal only with vision and events.

But leaders of learning organizations must do more than just for-

ulate strategies to exploit emerging trends. They must be able to help people understand the systemic forces that shape change. It is not enough to intuitively grasp these forces. Many “visionary strategists” have rich intuitions about the causes of change, intuitions that they cannot explain. They end up being authoritarian leaders, imposing their strategies and policies or continually intervening in decisions. They fall into this fate even if their values are contrary to authoritarian leadership—because *only* they see the decisions that need to be made. Leaders in learning organizations have the ability to conceptualize their strategic insights so that they become public knowledge, open to challenge and further improvement.

“Leader as teacher” is not about “teaching” people how to achieve their vision. It is about fostering learning, for everyone. Such leaders help people throughout the organization develop systemic understandings. Accepting this responsibility is the antidote to one of the most common downfalls of otherwise gifted leaders—losing their commitment to the truth.

When Lyndon Johnson first became President, his “Great Society” inspired full-hearted support throughout the country, despite the tragedy which brought him into office. Johnson was a master enroller, with the patience to take Congress through his proposed legislation one bill at a time, with stunning results; out of ninety-one proposals, Congress only rejected two. His enrollment of the public was no less stunning: “His goals had been the country’s goals,” wrote historian William Manchester. But the results of Johnson’s leadership eventually proved disappointing, in part, because Johnson could not keep his commitment to the truth. When he was told that the United States could not afford the Great Society and the Vietnam War at the same time, he began systematically lying about the costs of the war. “If I [tell Congress] about the cost of the war,” he told his advisers, according to Manchester, “old [Senator] Wilbur Mills will sit down there and he’ll thank me kindly and send me back my Great Society.” Gradually Johnson began to isolate himself from criticism, even from his advisers; soon, many of the members of his Cabinet resigned. Eventually, Johnson’s chain of lies found its way to public attention and became the “credibility gap”—so christened by the *New York Herald Tribune* in 1965. His leadership was effectively over—to the point where he could not run for reelection in 1968.⁷

History, mythology, and business lore abound with examples, from Oedipus to present times, of leaders who fail because they lack commitment to the truth.

As my colleague, organization consultant Bryan Smith puts it, "I have met many leaders who have been destroyed by their vision." This happens, almost always, because the leaders lose their capacity to see current reality. They collude in their and their organization's desire to assuage uneasiness and avoid uncertainty by pretending everything is going fine. They become speech makers rather than leaders. They become "true believers" rather than learners.

CREATIVE TENSION

Leaders who are designers, stewards, and teachers come to see their core task very simply. "Just as Socrates felt that it was necessary to create a tension in the mind," said Martin Luther King, Jr., "so that individuals could rise from the bondage of myths and half truths . . . so must we . . . create the kind of tension in society that will help men rise from the dark depths of prejudice and racism."⁸ The tension of which King spoke is the *creative tension* of personal mastery. This tension is generated by holding a vision and concurrently telling the truth about current reality relative to that vision—"to dramatize the issue so that it can no longer be ignored," as King put it.

The leader's creative tension is not anxiety: that is psychological tension. A leader's story, sense of purpose, values and vision establish the direction and target. His relentless commitment to the truth and to inquiry into the forces underlying current reality continually highlight the gaps between reality and the vision. Leaders generate and manage this creative tension—not just in themselves but in an entire organization. This is how they energize an organization. That is their basic job. That is why they exist.

Mastering creative tension throughout an organization leads to a profoundly different view of reality. People literally start to see more and more aspects of reality as something they, collectively, can influence. This is no hollow "belief," which people say in an effort to convince themselves that they are powerful. It is a quiet realization, rooted in understanding that *all* aspects of current reality—the events, the patterns of change, and even the systemic structures themselves—are subject to being influenced through creative tension. This shift of view, or metanoia, was expressed beautifully by the Hebrew existentialist philosopher Martin Buber:⁹

Our thinking of today has established a more tenacious and oppressive belief in fate than has ever before existed. No matter how

much is said about the laws we hold to be true of life . . . at the basis of them all lies possession by process, that is by unlimited causality. But the dogma of process leaves no room for freedom, whose calm strength changes the face of the earth. This dogma does not know the man who surmounts the universal struggle, tears to pieces the web of habitual instincts, and stirs, rejuvenates and transforms the stable structures of history.

The only thing that can become fate for man is belief in fate. The free man is he who wills without arbitrary self-will. He believes in destiny, and believes that it stands in need of him. It does not keep him in leading strings, it awaits him, he must go to it, yet does not know where it is to be found. But he knows that he must go out with his whole being. The matter will not turn out according to his decision; but what is to come will come only when he decides on what he is able to will. He must sacrifice his puny, unfree will, that is controlled by things and instincts, to his grand will, which quits defined for destined being.

Then, he intervenes no more, but at the same time he does not let things merely happen. He listens to what is emerging from himself, to the course of being in the world; not in order to be supported by it but to bring it to reality as it desires.

HOW CAN SUCH LEADERS BE DEVELOPED?

In February 1990, when President De Klerk of South Africa announced the lifting of bans on black political groups and the freeing of political prisoners, I was in the country as part of an initiative to foster a cadre of black and white leaders capable of building learning organizations and learning communities. With the impending release of Nelson Mandela (which came one week later), we shared the following statement from Corazon Aquino of the Philippines. When her husband, Benigno Aquino, left prison, she said:

It seemed clear to those who knew him that much had changed in him. The superb political animal—shrewd, fast, eloquent, and brave—who had placed his immense talents in the service of the Republic in the hope of public honors had evolved into a man for whom love of country was only the other face of his love for God. And I think this is the truest and best kind of patriotism. It is only

on this plane that patriotism ceases to be, as they say, the refuge of scoundrels and becomes, instead, the obligation of a Christian . . .

We cannot, of course, just place an order for such men and women to be or to lead the opposition. Such people are not made to order. They make themselves that way.

If you share, therefore, my growing conviction that it is only by such people that the changes we want will be brought about, then you must also share the conclusion I have come to: the changes will come and victory will be attained—a victory that will mean more than a change of faces—only when there are enough of us who have become like that.¹⁰

One of the most striking aspects of this statement is that “such people are not made to order. They make themselves that way.” Most of the outstanding leaders I have worked with are neither tall nor especially handsome; they are often mediocre public speakers; they do not stand out in a crowd; and they do not mesmerize an attending audience with their brilliance or eloquence. Rather, what distinguishes them is the clarity and persuasiveness of their ideas, the depth of their commitment, and their openness to continually learning more. They do not “have the answer.” But they do instill confidence in those around them that, together, “we can learn whatever we need to learn in order to achieve the results we truly desire.”

The ability of such people to be natural leaders, as near as I can tell, is the by-product of a lifetime of effort—effort to develop conceptual and communication skills, to reflect on personal values and to align personal behavior with values, to learn how to listen and to appreciate others and others' ideas. In the absence of such effort, personal charisma is style without substance. It leaves those affected less able to think for themselves and less able to make wise choices. It can devastate an organization or a society.

That is why the five learning disciplines developed in Parts II and III are so important to those who would lead. They provide a framework for focusing the effort to develop the capacity to lead. Systems thinking, personal mastery, mental models, building shared vision, and team learning—these might just as well be called the *leadership disciplines* as the learning disciplines. Those who excel in these areas will be the natural leaders of learning organizations.

In our own work to help people develop their leadership capacities, we stress the “individual disciplines” of systems thinking,

working with mental and personal mastery. These disciplines span the range of conceptual, interpersonal, and creative capacities vital to leadership. But most of all, they underscore the deeply personal nature of leadership. It is impossible to reduce natural leadership to a set of skills or competencies. Ultimately, people follow people who believe in something and have the abilities to achieve results in the service of those beliefs. Or, to put it another way, who are the natural leaders of learning organizations? They are the learners.

TIME TO CHOOSE

One of the paradoxes of leadership in learning organizations is that it is both collective and highly individual. Although the responsibilities of leadership are diffused among men and women throughout the organization, the responsibilities come only as a result of individual choice.

Choice is different from desire. Try an experiment. Say, "I want." Now, say, "I choose." What is the difference? For most people, "I want" is passive; "I choose" is active. For most, wanting is a state of deficiency—we want what we do not have. Choosing is a state of sufficiency—electing to have what we truly want. For most of us, as we look back over our life, we can see that certain choices we made played a pivotal role in how our life developed. So, too, will the choices we make in the future be pivotal.

The choice to be part of a learning organization is no different. Whether it is an "organization" of three or three thousand matters not. Only through choice does an individual come to be the steward of a larger vision. Only through choice does an individual come to practice the learning disciplines. Being in a supportive environment can help, but it does not obviate the need for choice. Learning organizations can be built only by individuals who put their life spirit into the task. It is our choices that focus that spirit.

It is not the purpose of this book to convince people that they *should* choose to build learning organizations. Rather, I have tried to paint the picture of what such an organization would be like and how it might be built—so that people can see the choice that exists. The choice, as is always the case, is yours.